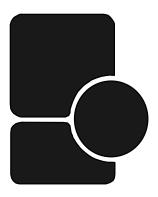
Joint Legislative Audit and Review Commission of the Virginia General Assembly



Status Report: State Funding Formula for Educational Technology

Staff Briefing December 16, 2002

Introduction

Staff for this study:

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Study Mandate

- Senate Joint Resolution 87 (2002) directs JLARC to:
 - recommend a state funding formula for educational technology and technology support personnel, and
 - assess ways to enhance the use of federal and private sector assistance for educational technology.

Presentation Outline

☑ Current Funding for Educational Technology
 ☐ Educational Technology Funding Formula Options
 ☐ Project Status and Next Steps

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Total School Division Expenditures on Technology 2000-2001 School Year (\$ Millions)

Expenditures for

Educational Technology

| | Classroom Instruction | Instructional Support | <u>Administration</u> | All <u>Other</u> | <u>Total</u> |
|---------------------|--------------------------|--------------------------|-----------------------|---------------------|--------------|
| Personnel Costs | \$49.2 | \$37.2 | \$24.3 | \$4.7 | \$115.4 |
| Non-Personnel Costs | \$96.8 | \$48.3 | \$33.3 | 27.0 | \$205.4 |
| Total | \$146.0 | \$85.5 | \$57.6 | \$31.7 | \$320.8 |

- School divisions' technology-related expenditures are partly a response to State requirements for educational technology. For example:
 - Standards of Quality require local school boards to implement a program of instruction "...which emphasizes...proficiency in the use of computers and related technology."
 - Standards for Accrediting Public Schools require local school administrations to provide "...properly equipped laboratories that meet the needs of instruction in the sciences, technology, fine arts, and career and technical programs."
 - Standards of Learning contain specific computer/technology standards for grades 5, 8, and 12.
- School divisions may also be responding to local pressure to improve technology capabilities.

State and Federal Support for Educational Technology FY 2001- FY 2004 (\$ Millions)

| | 2001 | 2002 | 2003 | 2004 |
|---|--------|--------|--------|--------|
| State Funds | | | | |
| Administrative Systems | \$1.1 | NA | NA | NA |
| VPSA Technology Grants | \$56.9 | \$58.3 | \$58.7 | \$58.7 |
| Technology Support Payments | NA | \$5.0 | \$5.0 | \$5.0 |
| Other | \$2.9 | \$2.9 | \$2.7 | 2.7 |
| Standards of Quality | ? | ? | ? | ? |
| Federal Funds | | | | |
| Technology Literacy Challenge Fund | \$6.8 | NA | NA | NA |
| Federal Technology Grant (Ed Tech) Program* | | \$10.2 | \$10.2 | \$10.2 |
| E-Rate * | \$19.4 | \$23.1 | \$21.0 | \$21.0 |
| Total State and Federal Funding Designated | | | | |
| for Technology | \$87.1 | \$99.5 | \$97.6 | \$97.6 |

^{*}FY 2003 and FY 2004 amounts are estimates.

| State Funds Available for Technology | | | | |
|--------------------------------------|---|--|--|--|
| School Construction Grants | \$0.3 | \$2.2 | Use of Funds Includes Technology | Use of Funds Includes Technology |
| Local Share of Lottery | At Least 50% of Funds for Non-recurring Costs | At Least 50% of Funds for Non- recurring Costs | At Least 50% of Funds for Non- recurring Costs | At Least 50% Funds for Non- recurring Costs |

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Potential for Enhanced Federal and Private Sector Support for Educational Technology

- Can federal and private sector support for educational technology be enhanced?
 - It appears that the State is doing what it can to maximize federal support for education technology.
 - New federal Education Technology Grants are provided on a formula basis.
 - According to Department of Education (DOE) officials, several factors prevent Virginia's school divisions from obtaining more E-Rate funds. These factors include:
 - Relative wealth of Virginia's residents, and
 - Decentralized nature of divisions' computer networks
 - JLARC staff will be addressing ways to enhance private sector support, but there may be limits on the usefulness of private sector donations.

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Educational Technology Funding Formula Options

- Funding formula options included in the final report will fall into four categories:
 - Prevailing practice among Virginia's school divisions for funding educational technology (base option)
 - Funding options designated in the study mandate
 - Options to address funding best practices identified within Virginia's school divisions
 - Options to address funding best practices identified nationally
- Final report will indicate how much options cost compared to what the State is already providing for educational technology.

Presentation Outline

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Project Status and Next Steps

■ Project Work Accomplished To Date

- Constructed spreadsheet for analyzing funding formula options
- Researched educational technology funding best practices nationally
- Assessed federal educational technology funding

■ Next Steps

- Review incentives for private sector support of educational technology
- Estimate State funds provided through the SOQ in support of educational technology
- Survey Virginia's school divisions
- Conduct site visits to subset of Virginia's school divisions
- Develop funding formula options for final report

Project Schedule

- Winter 2003 Survey school divisions
- Spring 2003 Conduct site visits to school divisions
- Spring/Summer 2003 Calculate funding formula options
- Summer/Fall 2003 Provide final report and Commission briefing